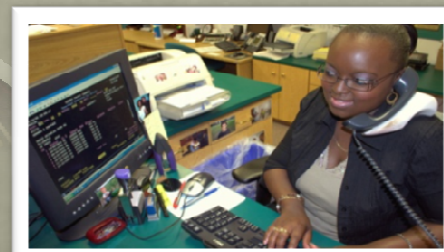
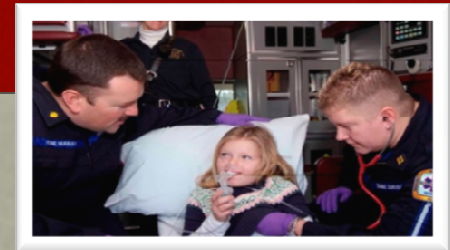


SUSSEX COUNTY, DELAWARE



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2009

Independent Auditor's Report



“The financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Sussex County, Delaware as of June 30, 2009,...”



Statement of Net Assets

Increased
by \$19
million
over fiscal
year 2008

SUSSEX COUNTY, DELAWARE STATEMENT OF NET ASSETS JUNE 30, 2009

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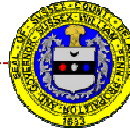
	Primary Government	
	Governmental Activities	Business-type Activities
		Total
NET ASSETS		
Invested in capital assets, net of related debt	63,679,024	172,029,870
Restricted for:		
Realty transfer tax	54,874,036	-
911 Reporting	1,871,459	-
Grant funds	504,550	-
Construction and debt service	-	42,594,693
Revenue bond debt service	-	31,289,721
Unrestricted	44,548,346	14,944,704
TOTAL NET ASSETS	\$ 165,477,415	\$ 260,858,988
		\$ 426,336,403

SUSSEX COUNTY, DELAWARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

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	General	Capital Projects	Total Governmental Funds
REVENUES			
Taxes	\$ 27,291,166	\$ -	\$ 27,291,166
Intergovernmental	7,048,468	128,878	7,177,346
Charges for services	10,395,117	-	10,395,117
Fines and forfeits	23,871	-	23,871
Miscellaneous	2,721,669	1,366,481	4,088,150
TOTAL REVENUES	47,480,391	1,495,359	52,656,160
EXPENDITURES			
Current:			
General Government:			
Administration	1,267,110	-	1,267,110
Finance	5,347,433	-	5,347,433
Personnel	2,275,363	-	2,275,363
Buildings and grounds	1,832,880	-	1,832,880
Tools and equipment	1,333,638	-	1,333,638
Commodities	271,880	-	271,880
Grant and aid programs	8,286,000	-	8,286,000
Housing and zoning	1,279,284	-	1,279,284
Sanitation programs	12,720,885	-	12,720,885
Waste management	2,305,000	-	2,305,000
Waste management and public works	479,000	-	479,000
County engineering	2,301,800	-	2,301,800
Highway	431,433	-	431,433
Police	3,562,369	-	3,562,369
Community development and housing program	1,362,447	-	1,362,447
Construction offices	2,112,000	-	2,112,000
Capital projects	-	12,177,128	12,177,128
TOTAL EXPENDITURES	47,465,116	12,177,128	59,642,144
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,275,275	(10,681,769)	4,593,506
OTHER FINANCING SOURCES (USES)			
Capital leases	5,442	-	5,442
Bonds in	12,000	1,350	13,350
Bonds out	(1,338,781)	-	(1,338,781)
TOTAL OTHER FINANCING SOURCES (USES)	(1,221,339)	1,350	(1,219,989)
NET CHANGE IN FUND BALANCES	(1,206,064)	(9,330,419)	(10,536,483)
FUND BALANCES - BEGINNING	75,693,746	26,750,209	102,443,955
FUND BALANCES - ENDING	\$ 74,487,682	\$ 17,419,790	\$ 91,907,472

Balance Sheet – Governmental Funds

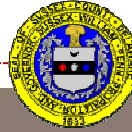


SUSSEX COUNTY, DELAWARE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

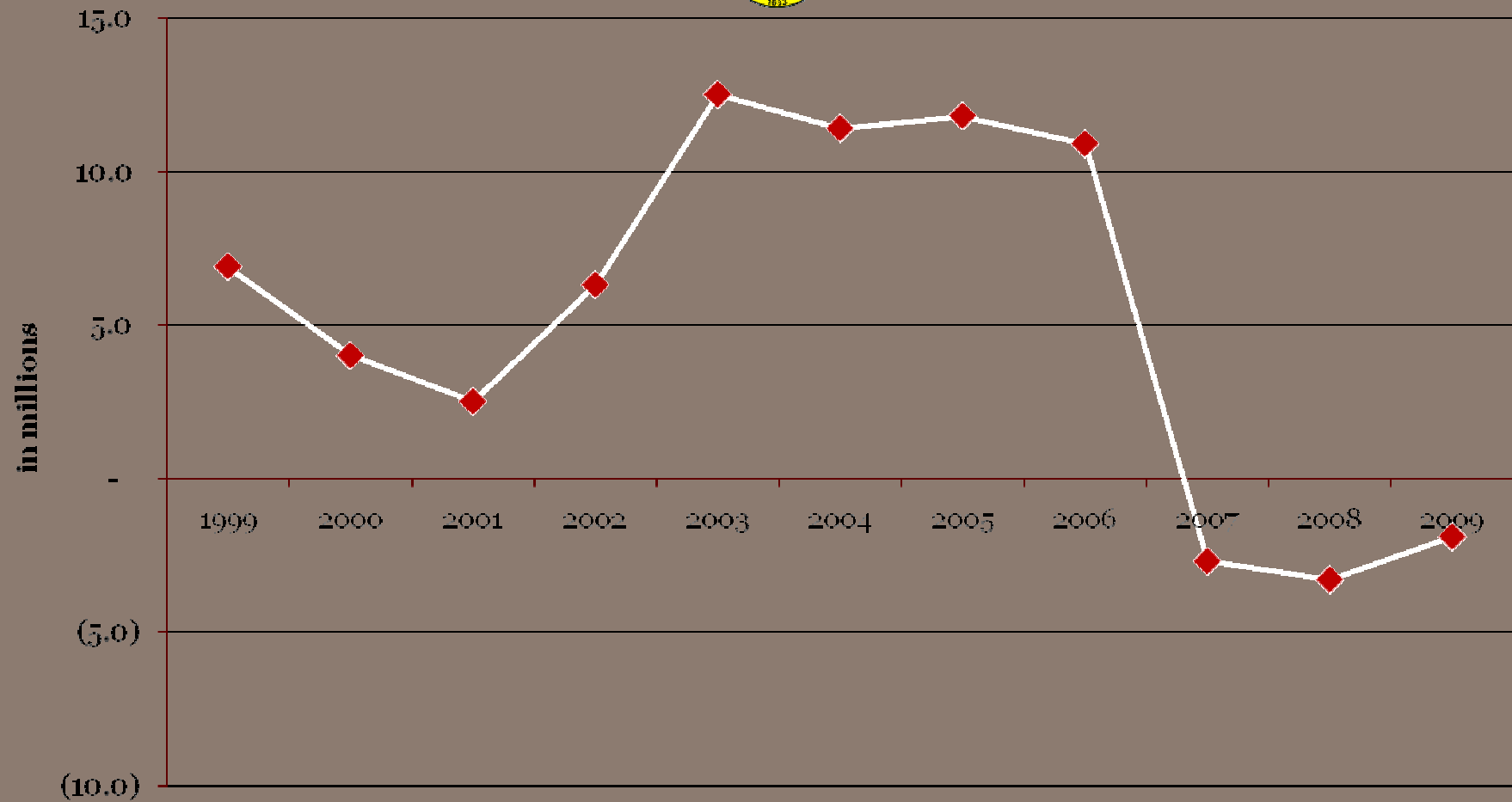
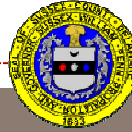
- 20 -

	General	Capital Projects	Total Governmental Funds
FUND BALANCES			
Reserved for:			
Encumbrances	175,283	-	175,283
Inventories and prepaid items	24,678	-	24,678
Non-current assets	21,922,511	-	21,922,511
911 funds	1,871,460	-	1,871,460
Realty transfer tax	34,686,014	20,188,022	54,874,036
Unreserved:			
Designated for subsequent years' expenditures	2,078,768	-	2,078,768
Undesignated	9,445,738	(416,723)	9,029,005
TOTAL FUND BALANCES	73,204,442	19,771,299	92,975,741
TOTAL LIABILITIES AND FUND BALANCES	\$ 96,442,317	\$ 20,712,865	

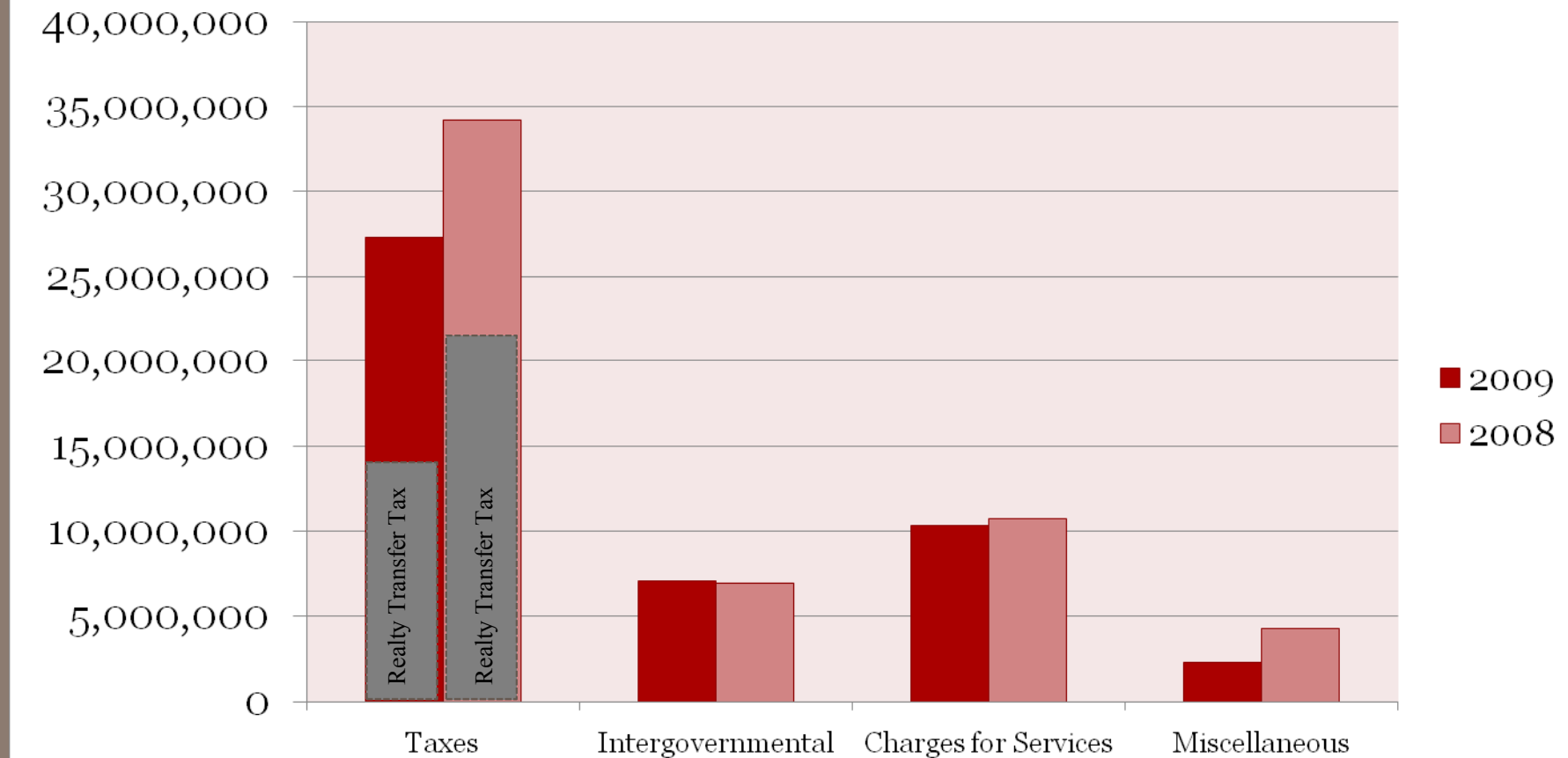
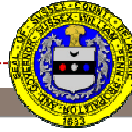
Revenues Over (Under) Expenditures Before Budget Reductions, as of 12/31/08



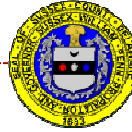
Revenues Over (Under) Expenditures



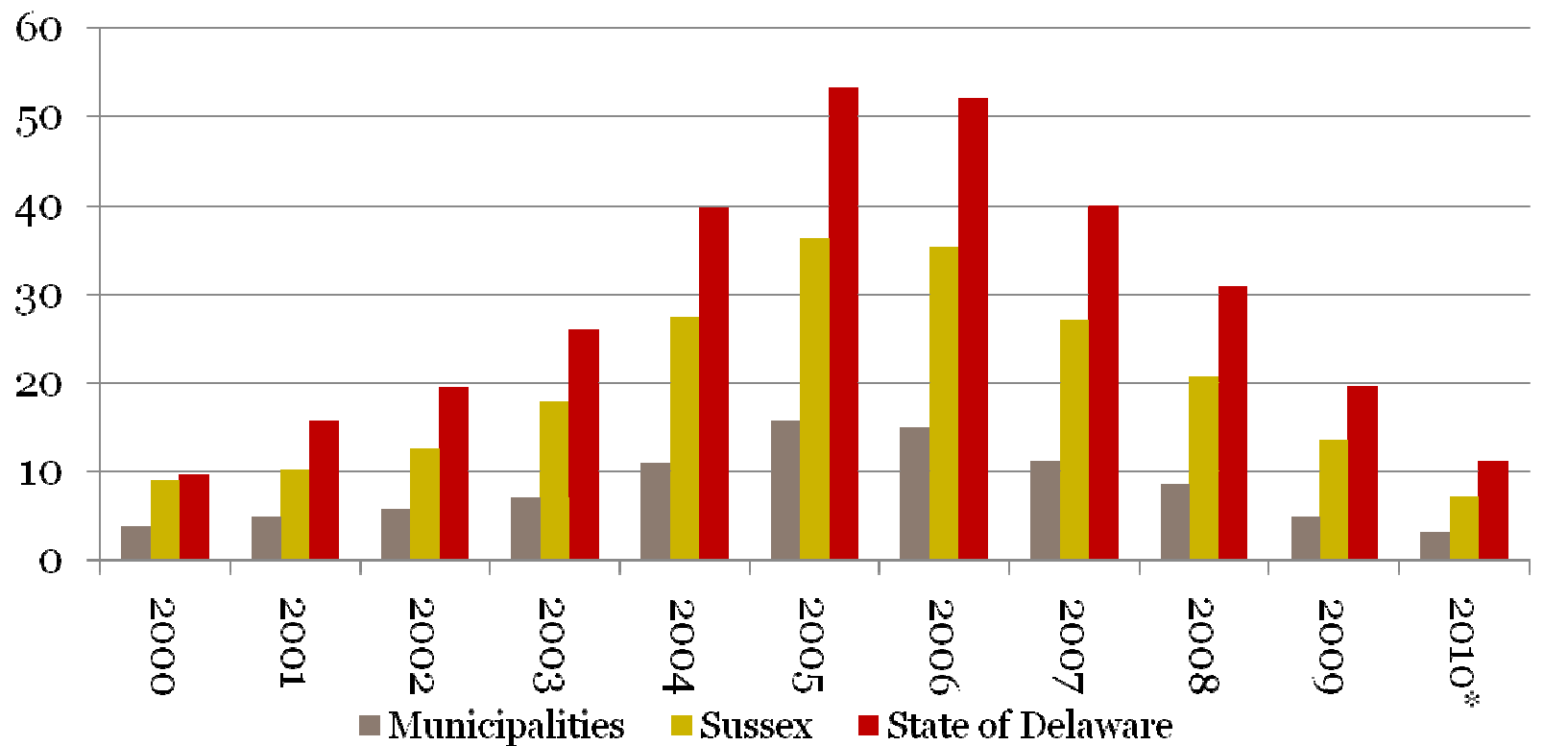
Major General Fund Revenues



Realty Transfer Tax Revenue

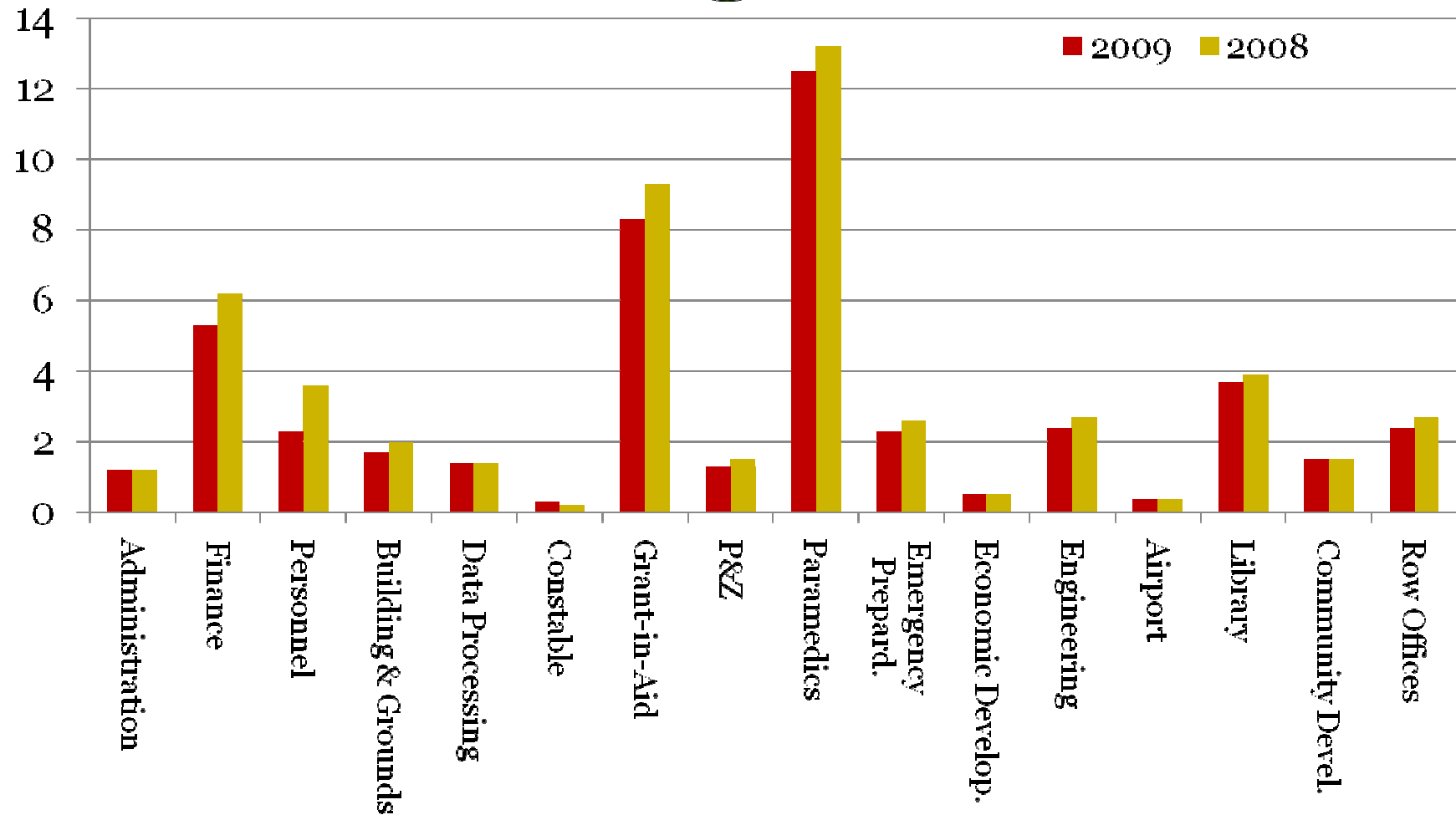
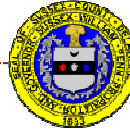


(collected within Sussex County)



* Through
12/31/09

General Fund Expenditures

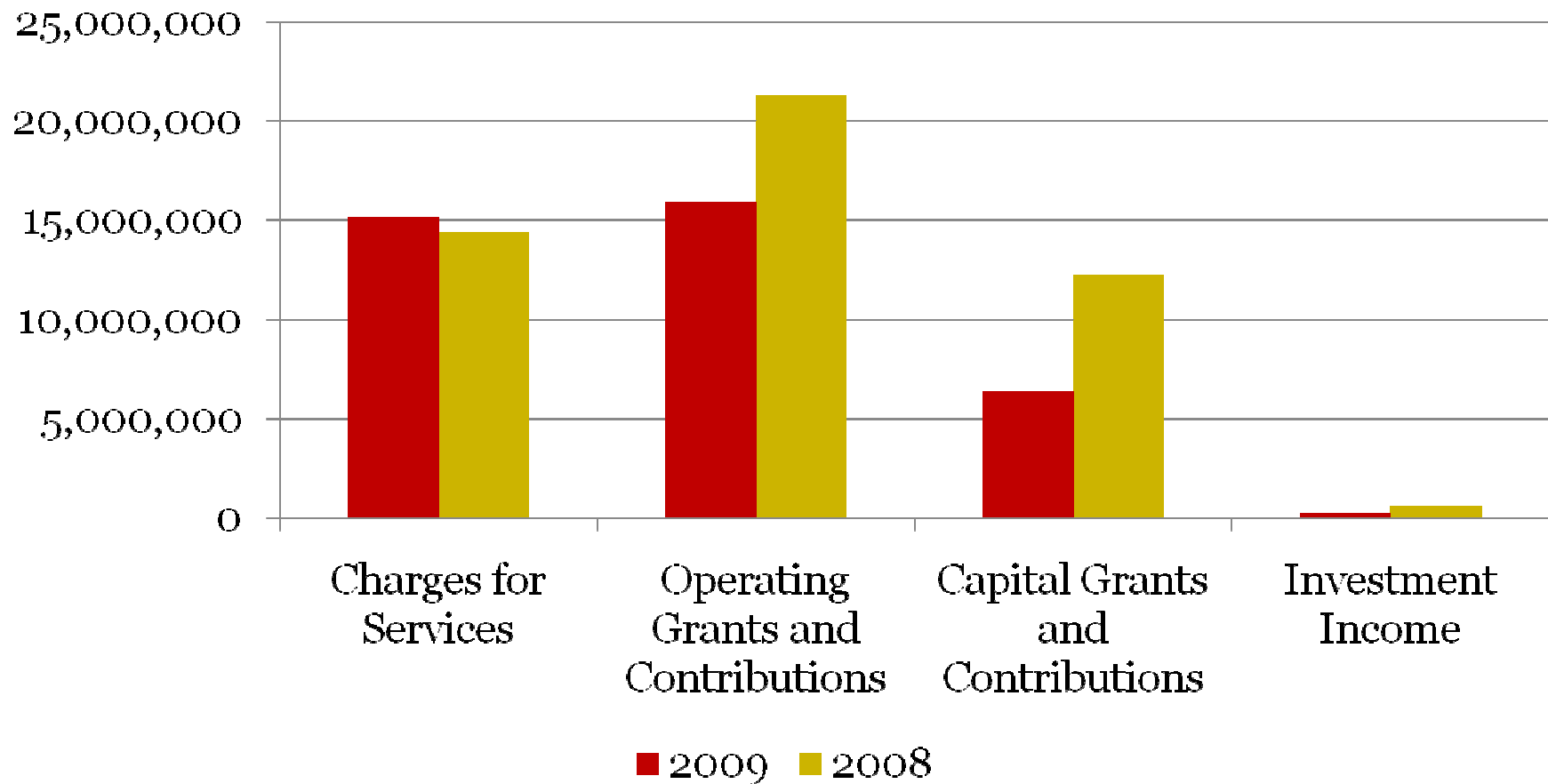
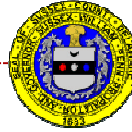


Capital Projects



- \$6 million – Airport and Industrial Park Improvements
 - Fire Protection
 - Runway Expansion Projects
 - Water Improvements
- \$4 million – Library Expansion Projects
- \$3 million – Land Acquisition

Business-Type Revenues (Water and Sewer)



Major Sewer Activities



- Increase in Net Assets of \$11 million
- Six major projects in progress - \$6 million
- \$2 million sewer infrastructure paid by developers
- Connection fees decreased by 54% in fiscal year 2009

Pension



COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FOR THE YEAR ENDED JUNE 30, 2009

	Pension Trust	Post-retirement Employee Benefit Trust	Total
ADDITIONS			
Employer contributions	\$ 2,332,889	\$ 4,674,927	\$ 7,007,816
Investment:			
Net appreciation (depreciation) of investments	(7,117,411)	(943,849)	(8,061,260)
Interest and dividends	212,373	493,573	705,946
TOTAL ADDITIONS	(4,572,149)	4,224,651	(347,498)
DEDUCTIONS			
Beneficiary payments	1,822,529	1,491,993	3,314,522
NET INCREASE IN PLAN NET ASSETS	(6,394,678)	2,732,658	(3,662,020)
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - BEGINNING	44,479,508	15,274,316	59,753,824
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS - ENDING	\$ 38,084,830	\$ 18,006,974	\$ 56,091,804



Long-term Debt

\$162 million in
outstanding bonds
payable

\$22 million –
sewer revenue
bonds

\$140 million –
general
obligation
bonds

This debt is only for
sewer districts

**No general fund
bonded debt**

SUSSEX COUNTY'S OUTSTANDING DEBT

As of June 30, 2009 and 2008

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ -	\$ -	\$ 139,857,414	\$ 137,819,192	\$ 139,857,414	\$ 137,819,192
Revenue Bonds	-	-	22,475,982	24,005,471	22,475,982	24,005,471
Total	\$ -	\$ -	\$ 162,333,396	\$ 161,824,663	\$ 162,333,396	\$ 161,824,663

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

- 174 -

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs:			
Rural Housing Preservation Grants	10.433	HIPG 07-08 HIPG 08-09	\$ 19,355
Water and Waste Disposal Systems for Rural Communities*	10.760		4,456,879
ARRA - Water and Waste Disposal Systems for Rural Communities*	10.781		<u>119,891</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>4,596,125</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through State - Delaware State Housing Authority:			
Community Development Block Grants/ State's Program	14.228	CDBG 03-06 CDBG 03-07 CDBG 03-08	1,097,499
Home Investment Partnerships Program	14.239	HM 03-07 HM 03-08	<u>101,614</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,199,113</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program:			
Airport Improvement Program	20.106	3-10-0007-020-2006 3-10-0007-021-2007 3-10-0007-019-2008 3-10-0007-022-2008	2,097,011
Passed through State - Delaware Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	2008 HMT.DT.8030160	<u>2,329</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>2,099,340</u>
			(continued)

SUSSEX COUNTY, DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2009

- 175 -

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed through State - Department of Natural Resources and Environmental Control:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	S-2003 S-2006 S-2012 S-2015 S-2016 S-2022 S-2023 S-2028 S-2030 12100001 12100002 90000021 90000023	\$ 3,401,206
ARRA - Capitalization Grants for Clean Water State Revolving Funds			<u>88,034</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>3,489,240</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through State - Delaware Emergency Management Agency:			
Emergency Management Performance Grants	97.042	2007-EM-E7-0029 2008 EM ES 0001	90,937
Citizen Corps	97.053	2007-CIE-T7-0020	4,298
Homeland Security Grant Program	97.067	2005-GE-T5-0011 2006-CIT-T6-0060 2007-GE-T7-0020	<u>231,314</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>326,549</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 11,710,367</u></u>

*Denotes major program.